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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/813,745	03/21/2001	Thomas G. Siska	4361 P 002	3423

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EXAMINER

NGUYEN, NGA B

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 10/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/813,745

Applicant(s)

SISKA, THOMAS G.

Examiner

Nga B. Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 21 March 2001.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-33 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 2/19/03.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. This Office Action is the answer to the communication filed on March 21, 2001, which paper has been placed of record in the file.
2. Claims 1-33 are pending in this application.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-33 are rejected under 35 U.S.C 101 because the claimed invention is directed to non-statutory subject matter, particularly, an abstract idea.

The claims, as presently claimed and best understood were reconsidered in light of the "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

Claims 1-33 merely manipulate an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter.

As to claims 1-33, the claimed invention is not implemented on a specific apparatus; therefore, the invention is not directed to the technological arts. To be statutory, the utility of an invention must be within the technological arts. The definition

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of "technology" is the "application of science and engineering to the development of machines and procedures in order to enhance or improve human conditions, or at least to improve human efficiency in some respect." (Computer Dictionary 384 (Microsoft Press, 2d ed. 1994)). When one looks to the present specification to determine what the applicant has invented, the invention appears not to be performed on a computer or on any specific machine or apparatus. It is clear that claims 1-33 are intended to be directed to the abstract method apart from the apparatus for performing the method. Therefore, claims 1-33 are non-statutory, because they are directed solely to an abstract idea without practical application in the technological arts.

Moreover, as to claims 31-33, the claimed invention is implemented as nonfunctional descriptive material per-se, because "a contracted loan product" is a nonfunctional descriptive material.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-3, 5-16, 18-25, and 27-33 are rejected under 35U.S.C. 102(e) as being anticipated by Levine et al. (hereinafter Levine), U.S. Patent No. 6,233,566.

Regarding to claim 1, Levine discloses a method of providing a loan to a borrower comprising the steps of:

offering a loan through a first institution (column 8, lines 37-40; Mortgage Bank Correspondent (Banks or other lenders) market and originate loans directly to consumers);

providing said loan to said borrower (column 2, lines 13-60; lenders provide loans to borrowers);

providing money for said loan (column 3, lines 20-28; issuing a check and forward it to the borrower);

collaborating with a second institution for said second institution to monitor said loan (column 8, lines 40-44 and column 5, lines 5-35; Servicing Company monitor and collect monthly payments from the borrower);

obtaining said money provided for said loan from said first institution (column 3, lines 20-28; issuing a check and forward it to the borrower, i.e. borrower obtains money from lender); and

obtaining indemnification for said first institution of all risk for providing said money for said loan (column 1, line 40-column 2, line 60; lender obtains indemnification of all risk for providing money to borrower).

Regarding to claim 2, Levine discloses obtaining said loan in the name of the first institution (column 1, line 40-67; borrower obtains loan in the name of the lender).

Regarding to claim 3, Levine discloses wherein said indemnification is obtained entirely from said second institution (column 8, lines 40-44 and column 5, lines 5-35;

Servicing Company monitors and collects monthly payments from the borrower; column 24, line 57-column 25, line 17; servicing company decides what action is required, such as filing a claim in bankruptcy, filing a claim in court for overdue payments, etc.).

Regarding to claim 5, Levine discloses wherein said first institution is a bank (column 8, lines 37-40; Mortgage Bank Correspondent).

Regarding to claim 6, Levine discloses wherein said second institution is a Commercial finance company (column 8, lines 41-44; Servicing Company).

Regarding to claim 7, Levine discloses said first institution marketing said commercial loan to a plurality of commercial borrowers (column 8, lines 37-40; banks or other lenders market loans directly to consumers).

Regarding to claim 8, Levine discloses wherein said loan provided to said borrower is a loan not presently offered by said first institution (column 14, lines 1-35; the lender post the loans for sale to mortgage bankers, the mortgage banker then resale the loans to the investors; column 8, lines 47-50; the investors then offer the loan for sale to the secondary market, thus the loan provided to borrower is no longer presently offered by the lender).

Regarding to claim 9, Levine discloses wherein said loan is a high risk loan (column 1, lines 40-48, non-conforming loans).

Regarding to claim 10, Levine discloses said first institution marketing said loan to a plurality of potential borrowers (column 8, lines 37-40; banks or other lenders market loans directly to consumers).

Regarding to claims 11-13, Levine discloses said second institution obtaining a competitive advantage from said marketing and said providing of money by said first institution and said first institution obtaining a competitive advantage from said obtaining indemnification from said second institution (column 14, lines 15-20; the loan originator publishes the loans for sale to mortgage bankers; figures 18-24; the second institution can bid on loans posted for sale by the first institution).

Claims 14-16, 18-22 contain similar limitations found in claims 1-3, 5-9 above, therefore, are rejected by the same rationale.

Regarding to claim 23, Levine discloses a method of distributing and monitoring a plurality of loan products marketed by an Intermediary company comprising the steps of:

offering a plurality of loan products through an Intermediary company, said loan products including loans provided directly by said Intermediary company (column 8, lines 37-40; Mortgage Bank Correspondent (Banks or other lenders) market and originate loans directly to consumers), and loans not provided directly by said Intermediary company (column 14, lines 1-35; the lender post the loans for sale to mortgage bankers, the mortgage banker then resale the loans to the investors; column 8, lines 47-50; the investors then offer the loan for sale to the secondary market, thus the loan provided to borrower is no longer presently offered by the lender);

marketing said plurality of loan products to a plurality of potential borrowers (column 8, lines 37-40; Mortgage Bank Correspondent (Banks or other lenders) market and originate loans directly to consumers) ;

supplying a borrower a first loan not directly provided by said

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Intermediary company (column 14, lines 1-35; the lender post the loans for sale to mortgage bankers, the mortgage banker then resale the loans to the investors; column 8, lines 47-50; the investors then offer the loan for sale to the secondary market, thus the loan provided to borrower is no longer presently offered by the lender);

collaborating with a Contractor to actively monitor said loan (column 8, lines 40-44 and column 5, lines 5-35; Servicing Company monitor and collect monthly payments from the borrower);

providing money for said first loan from said Intermediary company (column 3, lines 20-28; issuing a check and forward it to the borrower); and,

obtaining indemnification for said Intermediary company against all risk associated with providing money for said first loan (column 24, line 57-column 25, line 17; servicing company decides what action is required, such as filing a claim in bankruptcy, filing a claim in court for overdue payments, etc.).

Regarding to claim 24, Levine discloses providing said first loan in the name of said Intermediary company (column 1, line 40-67; borrower obtains loan in the name of the lender).

Regarding to claim 25, Levine discloses wherein said Contractor directly provides indemnification for said Intermediary company against 100% of said risk associated with said providing money for said first loan (column 8, lines 40-44 and column 5, lines 5-35; Servicing Company monitor and collect monthly payments from the borrower).

Regarding to claim 26, Levine discloses wherein said Contractor providing indemnification for said Intermediary company against part of said risk associated with said providing money for said first risk loan (column 24, line 57-column 25, line 17; servicing company decides what action is required, such as filing a claim in bankruptcy, filing a claim in court for overdue payments, etc.).

Regarding to claim 27, Levine discloses wherein said Intermediary company is a bank (column 8, lines 37-40; Mortgage Bank Correspondent).

Regarding to claim 28, Levine discloses wherein said Contractor is a commercial finance company (column 8, lines 41-44; Servicing Company).

Regarding to claim 29, Levine discloses a method of providing and managing a loan product comprising the steps of:

offering a plurality of loan products through a bank to a plurality of potential borrowers, said plurality of loan products including loan products directly managed by said bank and contracted loan products (column 8, lines 37-40; Mortgage Bank Correspondent (Banks or other lenders) market and originate loans directly to consumers);

marketing of said plurality of loan products by said bank to said plurality of potential borrowers (column 8, lines 37-40; Mortgage Bank Correspondent (Banks or other lenders) market and originate loans directly to consumers);

providing a contracted loan product to a borrower (column 2, lines 13-60; lenders provide loans to borrowers);

supplying money for said contracted loan product from said bank (column 3, lines 20-28; issuing a check and forward it to the borrower);

collaborating with a commercial finance company to administer said contracted loan product provided to said borrower (column 8, lines 40-44 and column 5, lines 5-35; Servicing Company monitor and collect monthly payments from the borrower); and

obtaining indemnification for said bank against all risk associated with said supplying money for said contracted loan product from said commercial finance company (column 24, line 57-column 25, line 17; servicing company decides what action is required, such as filing a claim in bankruptcy, filing a claim in court for overdue payments, etc.).

Regarding to claim 30, Levine discloses obtaining collateral from said borrower for said contracted loan product (column 5, lines 5-20; obtaining monthly payments from borrower).

Regarding to claim 31, Levine discloses a contracted loan product (column 1, lines 29-67; conforming loans and non-conforming loans), comprising money supplied from a first institution to a borrower (column 3, lines 20-28; issuing a check and forward it to the borrower, i.e. borrower obtains money from lender), said money supplied from said first institution insured by a second institution against risk of default of said loan product by said borrower, said loan product actively monitored by said second institution (column 8, lines 40-44 and column 5, lines 5-35; Servicing Company monitor and collect monthly payments from the borrower).

Regarding to claim 32, Levine discloses wherein said first institution is a bank (column 8, lines 37-40; Mortgage Bank Correspondent).

Regarding to claim 33, Levine discloses wherein said second institution is a commercial finance company (column 8, lines 41-44; Servicing Company).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 4, 17, and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levine et al. (hereinafter Levine), U.S. Patent No. 6,233,566.

Regarding to claims 4, 17, 26, Levine does not disclose wherein said indemnification is obtained in part from said second institution and in part from an insurance company. However, said indemnification is obtained in part from said second institution and in part from an insurance company is well known in the art of monitoring and collecting the payments of the loans from borrowers. For example, in the mortgage loan, the servicing company and the insurance company incorporates to monitor and collect monthly payments included home insurance from the borrowers. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention

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was made to modify Levine's to include the feature above for the purpose of providing more efficiency in monitoring the loans in order to reduce the risk for lenders.

Conclusion

9. Claims 1-33 are rejected.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (703) 306-2901. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on (703) 308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 306-1113.

11. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

C/o Technology Center 3600

Washington, DC 20231

Or faxed to:

(703) 872-9326 (for formal communication intended for entry),

or

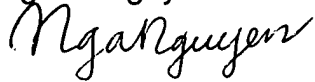
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(703) 308-3691 (for informal or draft communication, please label
"PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Crystal Park 5, 2451 Crystal
Drive, Arlington, VA, Seventh Floor (Receptionist).

Nga B. Nguyen

A handwritten signature in cursive script, appearing to read "Nga B. Nguyen".

October 14, 2004